

Senate Bill No. 1315

CHAPTER 844

An act to amend Section 14043.7 of the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor September 29, 2014. Filed with
Secretary of State September 29, 2014.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1315, Monning. Medi-Cal: providers.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions.

Existing law permits the department to make unannounced visits to an applicant or to a provider for the purpose of determining whether enrollment, continued enrollment, or certification as a provider is warranted, or as necessary for the administration of the Medi-Cal program. Existing law further requires that a provider be subject to temporary suspension from the Medi-Cal program, which includes temporary deactivation of the provider's number, for failure to remediate significant discrepancies in information that he or she provided to the department or for failure to remediate significant discrepancies that are discovered as a result of an announced or unannounced visit to the provider, as specified. Existing law requires the provider to be notified, in writing, of the temporary suspension and deactivation of provider numbers.

This bill would require that notice of temporary suspension to contain a list of discrepancies to be remediated and the timeframe in which the provider needs to remediate those discrepancies, which must be at least 60 days from the date the notice of temporary suspension is issued. The bill would require the department to lift a temporary suspension and notify a provider that the temporary suspension has been lifted and that he or she is eligible to receive reimbursement for Medi-Cal services provided after the date the temporary suspension was lifted if the provider has demonstrated that the identified discrepancies have been remediated within the applicable timeframe. The bill would require the department to send a notice to a provider who fails to remediate the identified discrepancies in the applicable timeframe stating that he or she will be removed from enrollment as a provider in the Medi-Cal program by operation of law based on failure to remediate the identified discrepancies.

The people of the State of California do enact as follows:

SECTION 1. Section 14043.7 of the Welfare and Institutions Code is amended to read:

14043.7. (a) The department may make unannounced visits to an applicant or to a provider for the purpose of determining whether enrollment, continued enrollment, or certification is warranted, or as necessary for the administration of the Medi-Cal program. If an unannounced site visit is conducted by the department for any enrolled provider, the provider shall permit access to any and all of their provider locations. If a provider fails to permit access for any site visit, the application shall be denied and the provider shall be subject to deactivation. At the time of the visit, the applicant or provider shall be required to demonstrate an established place of business appropriate and adequate for the services billed or claimed to the Medi-Cal program, as relevant to his or her scope of practice, as indicated by, but not limited to, the following:

- (1) Being open and available to the general public.
- (2) Having regularly established and posted business hours.
- (3) Having adequate supplies in stock on the premises.
- (4) Meeting all local laws and ordinances regarding business licensing and operations.
- (5) Having the necessary equipment and facilities to carry out day-to-day business for his or her practice.

(b) An unannounced visit pursuant to subdivision (a) shall be prohibited with respect to clinics licensed under Section 1204 of the Health and Safety Code, clinics exempt from licensure under Section 1206 of the Health and Safety Code, health facilities licensed under Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code, and natural persons licensed or certified under Division 2 (commencing with Section 500) of the Business and Professions Code, the Osteopathic Initiative Act, or the Chiropractic Initiative Act, unless the department has reason to believe that the provider will defraud or abuse the Medi-Cal program or lacks the organizational or administrative capacity to provide services under the program.

(c) (1) Failure to remediate significant discrepancies in information provided to the department by the provider or significant discrepancies that are discovered as a result of an announced or unannounced visit to a provider, for purposes of enrollment, continued enrollment, or certification pursuant to subdivision (a) shall make the provider subject to temporary suspension from the Medi-Cal program, which shall include temporary deactivation of the provider's number, including all business addresses used by the provider to obtain reimbursement from the Medi-Cal program. The director shall notify in writing the provider of the temporary suspension and deactivation of provider numbers, which shall take effect 15 days from the date of the notification. Notwithstanding Section 100171 of the Health and Safety Code, proceedings after the imposition of sanctions in this subdivision shall be in accordance with Section 14043.65.

(2) A notice of temporary suspension issued pursuant to paragraph (1) shall include the following:

(A) A list of discrepancies required to be remediated.

(B) The timeframe in which a provider may demonstrate to the department that the discrepancies identified pursuant to subparagraph (A) have been remediated. The timeframe in which a provider may remediate discrepancies shall not be less than 60 days from the date the notice of temporary suspension is issued.

(3) If a provider who has received a notice of temporary suspension pursuant to paragraph (1) demonstrates to the department that the discrepancies identified pursuant to subparagraph (A) of paragraph (2) have been remediated and meets the standards of participation within the timeframe specified in subparagraph (B) of paragraph (2), the department shall lift the temporary suspension and shall notify the provider that the temporary suspension has been lifted and that he or she is eligible to receive Medi-Cal reimbursement for services provided after the date the temporary suspension was lifted.

(4) If a provider has received a site visit pursuant to this section that results in a notice of temporary suspension pursuant to paragraph (1), and the provider fails to remediate the discrepancies identified pursuant to subparagraph (A) of paragraph (2) within the timeframe specified in subparagraph (B) of paragraph (2), the department shall send the provider a notice stating that the provider will be removed from enrollment as a provider in the Medi-Cal program by operation of law based on failure to remediate the discrepancies identified in the notice of temporary suspension.